

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name CHARLEVOIX TOWNSHIP	County CHARLEVOIX
Audit Date 6/30/04	Opinion Date 8/31/04	Date Accountant Report Submitted to State: 12/20/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name)

MASON & KAMMERMANN, P.C.

Street Address

110 PARK AVENUE

City

CHARLEVOIX

State

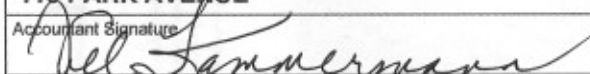
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ZIP

49720

Accountant Signature

Date



MASON & KAMMERMANN, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

HUGH E. MASON
VELDA K. KAMMERMANN

110 Park Avenue
Charlevoix, Michigan 49720
Telephone (231) 547-4911
Facsimile (231) 547-5911

August 31, 2004

To the Township Board of
Charlevoix Township:

We have audited the general purpose financial statements of Charlevoix Township for the year ended June 30, 2003, and have issued our report thereon dated August 31, 2004. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter dated July 12, 2004, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the internal control of Charlevoix Township. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Charlevoix Township are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by Charlevoix Township during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no such sensitive estimates that are included in the financial statements.

Significant Audit Adjustments

For the purpose of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgement, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant affect on Charlevoix Township's financial reporting process. In our judgement, none of the adjustments we proposed, either individually or in the aggregate, indicate matters that could have a significant affect on Charlevoix Township's financial reporting process.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Charlevoix Township's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Charlevoix Township
August 31, 2004
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Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of the Township Board and management of Charlevoix Township and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Mason & Kammermann, P.C.

Mason & Kammermann, P.C.

CHARLEVOIX TOWNSHIP
CHARLEVOIX COUNTY, MICHIGAN

FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION
for the year ended June 30, 2004

MASON & KAMMERMAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
CHARLEVOIX, MICHIGAN

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MASON & KAMMERMANN, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Facsimile (231) 547-5911

August 31, 2004

INDEPENDENT AUDITOR'S REPORT

To the Township Board of
Charlevoix Township:

We have audited the accompanying general purpose financial statements of Charlevoix Township as of and for the year ended June 30, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of Charlevoix Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Charlevoix Township as of June 30, 2004, and the results of its operations and cash flows of its proprietary fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed as additional information in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Charlevoix Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Mason & Kammermann, P.C.

CHARLEVOIX TOWNSHIP
ALL FUND TYPES AND ACCOUNT GROUP
COMBINED BALANCE SHEET
for the year ended June 30, 2004

	<u>GOVERNMENTAL FUND TYPES</u>	<u>PROPRIETARY FUND TYPE</u>
		<u>ENTERPRISE</u>
	<u>GENERAL</u>	<u>WATER</u>
Cash	\$2,010,205	\$ 83,844
Due From Other Governmental Units	19,524	-
Accounts Receivable	-	11,879
Due From Other Funds	15,423	-
Inventory	-	2,994
Property, Plant and Equipment, net of accumulated depreciation	<u>-</u>	<u>1,624,310</u>
Total assets	<u>\$2,045,152</u>	<u>\$1,723,027</u>
LIABILITIES		
Accounts Payable	\$ 24,302	\$ 3,277
Due To Other Government Units	-	-
Due To Other Funds	<u>-</u>	<u>14,505</u>
Total liabilities	24,302	17,782
FUND EQUITY		
Contributed Capital	-	600,313
Investment In General Fixed Assets	-	-
Retained Earnings	-	1,104,932
Fund Balance, unreserved	<u>2,020,850</u>	<u>-</u>
Total fund equity	<u>2,020,850</u>	<u>1,705,245</u>
Total liabilities and fund equity	<u>\$2,045,152</u>	<u>\$1,723,027</u>

The accompanying notes are a part of the financial statements.

<u>FIDUCIARY FUND TYPE</u>	<u>ACCOUNT GROUP</u>	
<u>AGENCY</u>		
<u>CURRENT TAXES</u>	<u>GENERAL FIXED ASSETS</u>	<u>TOTALS (MEMORANDUM ONLY)</u>
\$ 3,314	\$ -	\$2,097,363
-	-	19,524
-	-	11,879
-	-	15,423
-	-	2,994
-	1,668,431	3,292,741
<u>\$ 3,314</u>	<u>\$1,668,431</u>	<u>\$5,439,924</u>
\$ -	\$ -	\$ 27,579
2,396	-	2,396
918	-	15,423
3,314	-	45,398
-	-	600,313
-	1,668,431	1,668,431
-	-	1,104,932
-	-	2,020,850
-	1,668,431	5,394,526
<u>\$ 3,314</u>	<u>\$1,668,431</u>	<u>\$5,439,924</u>

CHARLEVOIX TOWNSHIP

COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

BUDGET AND ACTUAL
ALL GOVERNMENT FUND TYPES

for the year ended June 30, 2004

	GOVERNMENTAL FUND TYPES		
	GENERAL		OVER/ (UNDER)
	BUDGET	ACTUAL	BUDGET
Revenues:			
Property taxes	\$ 430,484	\$ 426,296	\$ (4,188)
Licenses and permits	200	758	558
Intergovernmental	75,000	117,787	42,787
Charges for services	33,313	33,313	-
Miscellaneous	14,915	70,406	55,491
Total revenues	553,912	648,560	94,648
Expenditures:			
Legislative	222,750	202,449	(20,301)
General government	790,042	254,705	(535,337)
Public safety	1,014,442	59,861	(954,581)
Highways and streets	300,000	-	(300,000)
Recreation	33,000	6,255	(26,745)
Total expenditures	2,360,234	523,270	(1,836,964)
Excess (deficiency) of revenues over expenditures	(1,806,322)	125,290	1,931,612
Fund Balance, July 1, 2003	1,895,560	1,895,560	-
Fund Balance, June 30, 2004	<u>\$ 89,238</u>	<u>\$2,020,850</u>	<u>\$ 1,931,612</u>

The accompanying notes are a part of the financial statements.

CHARLEVOIX TOWNSHIP

COMBINED STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS

PROPRIETARY FUND TYPES

for the year ended June 30, 2004

	ENTERPRISE		
	WATER		
	BUDGET	ACTUAL	OVER/ (UNDER) BUDGET
Operating Revenues:			
Water sales	\$ 85,000	\$ 114,367	\$ 29,367
Miscellaneous	15,000	15,699	699
Interest	300	699	399
Total operating revenues	100,300	130,765	30,465
Operating Expenses:			
Wages	3,600	3,600	-
Depreciation	-	64,189	64,189
Professional services	15,000	916	(14,084)
Utilities	30,000	25,321	(4,679)
Repair and maintenance	25,000	35,540	10,540
Other	26,869	2,767	(24,102)
Total operating expenses	100,469	132,333	31,864
Operating income (loss)	(169)	(1,568)	(1,399)
Nonoperating Revenue:			
Connection fees	20,000	82,397	62,397
Less connection expense	(20,000)	(4,310)	15,690
Total nonoperating revenue	-	78,087	78,087
Net income(loss)	(169)	76,519	76,688
Retained Earnings, July 1, 2003	1,028,413	1,028,413	-
Retained Earnings, June 30, 2004	<u>\$1,028,244</u>	<u>\$1,104,932</u>	<u>\$ 76,688</u>

The accompanying notes are a part of the financial statements.

CHARLEVOIX TOWNSHIP
 COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPES
 for the year ended June 30, 2004

	<u>ENTERPRISE</u>
	<u>WATER</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	\$ 76,519
Adjustments to reconcile net income to net cash used by operating activities:	
Depreciation	\$ 64,189
Increase in accounts receivable	(1,097)
Increase in accounts payable	1,503
Decrease in due to other funds	<u>(105,995)</u>
Total adjustments	<u>(41,400)</u>
Net cash used by operating activities	35,119
CASH FLOWS FROM INVESTING ACTIVITIES,	
Purchase of equipment	<u>(1,445)</u>
Increase in cash	33,674
Cash, July 1, 2003	<u>50,170</u>
Cash, June 30, 2004	<u>\$ 83,844</u>

The accompanying notes are a part of the financial statements.

CHARLEVOIX TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

for the year ended June 30, 2004

(1) Summary of Significant Accounting Policies

A. Reporting Entity

Charlevoix Township is a general law township located in Charlevoix County which operates under the direction of an elected township board. Under the criteria established by generally accepted accounting principles, the Township has determined that there are no component units which should be included in its reporting entity.

B. Fund Accounting

The accounts of the Township are organized on the basis of funds and account groups each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and three broad fund categories as follows:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

PROPRIETARY FUNDS

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

CHARLEVOIX TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

for the year ended June 30, 2004

B. Fund Accounting (Continued)

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds and Expendable Trust Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations are usually accounted for in a General Fixed Assets Account Group rather than in governmental funds. No depreciation has been provided on general fixed assets. The account group is not a fund. It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included in their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

CHARLEVOIX TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

for the year ended June 30, 2004

C. Fixed Assets (Continued)

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operation. Accumulated depreciation totals \$821,611 in proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Buildings	50 years
Plant and Equipment	15-60 years

Following is a summary of Water Fund assets:

Land	\$ 15,690
Building	54,224
Wells and wellhouses	404,860
Equipment	229,804
Water lines	985,926
Storage tanks	<u>948,606</u>
	2,639,110
Less accumulated depreciation	<u>(1,014,800)</u>
Total	<u>\$1,624,310</u>

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

CHARLEVOIX TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

for the year ended June 30, 2004

E. Budgets and Budgetary Accounting

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 15, the Township Board submits a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Township Hall to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted.
4. The Treasurer is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Township Board.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and Enterprise Fund.
6. All budgets are adopted on a basis consistent with generally accepted accounting principles.
7. Appropriations expire at the end of the fiscal year.

Budgeted amounts are as originally adopted, or as amended by the Township Board. Individual amendments were not material in relation to the original appropriations.

F. Cash

Cash deposits are recorded at cost which approximates market value. The Township has a policy to invest funds in excess of current needs with three federally insured financial institutions.

State statutes authorize the Township to invest in the accounts of federally insured banks, credit unions and savings and loan associations; obligations of the United States, or any agency or instrumentality of the United States; U.S. government or federal agency repurchase agreements; bankers' acceptance of U.S. banks; commercial paper rated by two standard rating agencies within the three highest classifications by not less than two standard rating services which mature not more than 270 days after the date of purchase and which involve no more than one half of any one fund.

CHARLEVOIX TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

for the year ended June 30, 2004

F. Cash(Continued)

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Township's cash deposits are as follows:

Insured (FDIC)	\$ 203,313
Uninsured	<u>1,894,050</u>
Total	<u>\$2,097,363</u>

G. Inventory

Inventory included in the Proprietary Fund Type is valued at the lower of cost (first-in, first-out) or market.

H. Use of Estimates

This presentation of financial statements in conformity with the modified accrued basis of accounting requires the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and disbursements during the reporting period. Actual results could differ from those estimates.

I. Total Columns On Combined Statements

Total columns on combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

J. Budget Compliance

During the year, expenditures exclude appropriations for the Water Fund by \$31,864. This results from budgeting the fund on a cash basis and does not provide any appropriation for the depreciation totaling \$64,189.

CHARLEVOIX TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

for the year ended June 30, 2004

(2) Property Tax

Property taxes are levied on July first and December first and are payable on September fourteenth and February fourteenth, respectively. Property tax revenues are recognized when levied.

The Township levied 2.9461 mills for general operations on state taxable valuation of \$144,142,252 on the 2003 tax roll.

The Township also bills and collects taxes for other governmental units which are accounted for in an Agency Fund.

(3) Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosure, as part of the Combined Statements - Overview, of certain information concerning individual funds including:

A. Interfund receivables and payables of the individual funds are as follows:

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
General Fund	\$ 15,423	\$ -
Tax Fund	-	918
Water fund	-	14,505
Total	<u>\$ 15,423</u>	<u>\$ 15,423</u>

(4) Related Organization

In October, 1992, Charlevoix Township authorized the creation of the Charlevoix Township Hospital Finance Authority for the purpose of financing improvement costs of health care facilities located in the Township. The Township appoints the members of the Authority's commission. However, the Township is not financially accountable for the Authority's activities. As of December 31, 2003, the Authority had limited obligation bonds payable totaling \$11,020,172 for nursing home and hospital construction costs.

(5) Risk Management

The Township is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters.

CHARLEVOIX TOWNSHIP

NOTES TO FINANCIAL STATEMENTS

for the year ended June 30, 2004

Risk Management (Continued)

The Township participates in a general insurance and worker's compensation program used by various municipalities in the state, the Michigan Township Participating Plan. The plan is supported by member premiums and reinsures through commercial companies. There has been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past 3 years.

(6) Pension Plan

The Township approved a defined contribution plan covering its full time employees. The Board approved a 3 percent contribution resulting in pension expense of \$5,626 for the year.

(7) Subsequent Events

The Township has contracted for a sewer extension project totaling approximately \$700,000.

CHARLEVOIX TOWNSHIP

GENERAL FUND

STATEMENT OF REVENUES - BUDGET AND ACTUAL

for the year ended June 30, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER/ (UNDER)</u> <u>BUDGET</u>
Property Taxes	\$430,484	\$426,296	\$ (4,188)
Licenses and Permits, Zoning permits	200	758	558
Intergovernmental, State shared revenues	75,000	117,787	42,787
Charges for services, Public safety	33,313	33,313	-
Miscellaneous:			
Interest	6,000	22,384	16,384
Other	<u>8,915</u>	<u>48,022</u>	<u>39,107</u>
Total miscellaneous	<u>14,915</u>	<u>70,406</u>	<u>55,491</u>
Total revenues	<u>\$553,912</u>	<u>\$648,560</u>	<u>\$ 94,648</u>

The accompanying notes are a part of the financial statements.

CHARLEVOIX TOWNSHIP

GENERAL FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

for the year ended June 30, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER/ (UNDER)</u> <u>BUDGET</u>
Legislative:			
Township Board:			
Salaries	\$ 128,250	\$ 121,995	\$ (6,255)
Payroll taxes	10,000	9,687	(313)
Health insurance	30,000	33,988	3,988
Employee benefits	20,000	5,626	(14,374)
Professional services	12,000	5,587	(6,413)
Printing and publishing	3,000	1,436	(1,564)
Other	19,500	24,130	4,630
Total legislative	<u>222,750</u>	<u>202,449</u>	<u>(20,301)</u>
General Government:			
Supervisor:			
Salary	22,250	17,340	(4,910)
Travel	5,000	3,750	(1,250)
Total	<u>27,250</u>	<u>21,090</u>	<u>(6,160)</u>
Elections:			
Salary	2,000	423	(1,577)
Supplies	2,000	183	(1,817)
Printing and publishing	1,000	-	(1,000)
Other	600	-	(600)
Total	<u>5,600</u>	<u>606</u>	<u>(4,994)</u>
Assessor:			
Salary	15,000	14,025	(975)
Supplies	5,000	1,323	(3,677)
Total	<u>20,000</u>	<u>15,348</u>	<u>(4,652)</u>
Clerk:			
Salaries	16,150	16,150	-
Travel	500	500	-
Other	200	42	(158)
Total	<u>16,850</u>	<u>16,692</u>	<u>(158)</u>
Board of Review, Salaries	<u>2,000</u>	<u>1,625</u>	<u>(375)</u>

(Continued)

CHARLEVOIX TOWNSHIP

GENERAL FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

for the year ended June 30, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER/ (UNDER)</u> <u>BUDGET</u>
General Government (Continued):			
Treasurer:			
Salary	\$ 11,800	\$ 11,800	\$ -
Travel	500	500	-
Other	200	-	(200)
Total	<u>12,500</u>	<u>12,300</u>	<u>(200)</u>
Summer Tax Collection:			
Salaries	5,367	5,367	-
Supplies	700	-	(700)
Travel	357	357	-
Manatron	1,800	1,277	(523)
Total	<u>8,224</u>	<u>7,001</u>	<u>(1,223)</u>
Township Hall:			
Supplies	5,000	2,293	(2,707)
Telephone	4,000	3,698	(302)
Utilities	3,000	2,681	(319)
Repair and maintenance	10,000	7,922	(2,078)
Capital outlay	5,000	4,583	(417)
Total	<u>27,000</u>	<u>21,177</u>	<u>(5,823)</u>
Grounds and Equipment:			
Operating supplies	4,000	4,003	3
Repair and maintenance	25,000	12,701	(12,299)
Capital outlay	20,000	16,464	(3,536)
Total	<u>49,000</u>	<u>33,168</u>	<u>(15,832)</u>
Fire Department:			
Operating supplies	1,500	617	(883)
Telephone	1,200	756	(444)
Repair and maintenance	10,000	8,471	(1,529)
Utilities and rent	3,000	3,000	-
Other	25,000	9,776	(15,224)
Capital outlay	12,000	1,414	(10,586)
Total	<u>52,700</u>	<u>24,034</u>	<u>(28,666)</u>

(Continued)

CHARLEVOIX TOWNSHIP

GENERAL FUND

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

for the year ended June 30, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>OVER/ (UNDER)</u> <u>BUDGET</u>
General Government (Continued):			
Zoning Board:			
Salaries	\$ 10,600	\$ 7,190	\$ (3,410)
Supplies	1,000	323	(677)
Travel	1,000	701	(299)
Printing and publishing	4,000	1,008	(2,992)
Professional services	20,000	58,935	38,935
Other	2,000	886	(1,114)
Total	<u>38,600</u>	<u>69,043</u>	<u>30,443</u>
Insurance and Bonds	<u>30,000</u>	<u>32,621</u>	<u>2,621</u>
Unclassified	<u>500,318</u>	<u>-</u>	<u>(500,318)</u>
Total general government	<u>790,042</u>	<u>245,705</u>	<u>(535,337)</u>
Public Safety:			
Ambulance service	14,442	14,535	93
Sewer extension	<u>1,000,000</u>	<u>45,326</u>	<u>(954,674)</u>
Total public safety	<u>1,014,442</u>	<u>59,861</u>	<u>(954,581)</u>
Highways and Streets:			
Professional services	10,000	-	(10,000)
Repair and maintenance	25,000	-	(25,000)
Improvements	<u>265,000</u>	<u>-</u>	<u>(265,000)</u>
Total highways and streets	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>
Recreation:			
Park utilities	3,000	1,923	(1,077)
Park supplies and maintenance	20,000	4,332	(15,668)
Park improvements	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>
Total recreation	<u>33,000</u>	<u>6,255</u>	<u>(26,745)</u>
Total expenditures	<u>\$2,360,234</u>	<u>\$523,270</u>	<u>\$ (1,836,964)</u>

The accompanying notes are a part of the financial statements.

CHARLEVOIX TOWNSHIP
SCHEDULE OF GENERAL FIXED ASSETS
for the year ended June 30, 2004

	<u>BALANCE</u> <u>7/01/03</u>	<u>ADDITIONS</u>	<u>DISPOSITIONS</u>	<u>BALANCE</u> <u>6/30/04</u>
General Fixed Assets:				
Land and improvements	\$ 6,134	\$ -	\$ -	\$ 6,134
Recreation land and improvements	692,942	-	-	692,942
Buildings	157,345	-	-	157,345
Machinery and equipment, Fire Department	583,644	1,414	-	585,058
Equipment	153,332	12,995	-	166,327
Office furniture and equipment	52,573	8,052	-	60,625
Total	<u>\$1,645,970</u>	<u>\$ 22,461</u>	<u>\$ -</u>	<u>\$1,668,431</u>
Investment in General Fixed Assets From:				
General Fund revenues	\$1,594,813	\$ 22,461	\$ -	\$1,617,274
Gifts	50,452	-	-	50,452
Fire Department Fund revenues	705	-	-	705
Total	<u>\$1,645,970</u>	<u>\$ 22,461</u>	<u>\$ -</u>	<u>\$1,668,431</u>

The accompanying notes are a part of the financial statements.